AUTOMOTIVE

With Americans keeping cars longer, quality comfort and appearance items are selling more briskly. Cashing in on this trend, Richway in Broward Mall, Hollywood, Fla., prominently displays brand-name car mats and body paints. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Freon 14 oz	1.29	79,271	102,259
2	8-oz Armor All Protector	2.99	25,051	74,902
3	24 STP Oil Treatment 15 oz	2.29	25,843	59,180
4	Sup Hard Shell Pst-Kit	3.99	13,579	54,180
5	DuPont Rain Dance Pst 14 oz	7.19	7,221	51,918
6	Gumout Jet Spray	2.39	21,700	51,863
7	16-oz Armor All Protector	6.19	8,358	51,736
8	A/C Recharge Kit/Freon	6.89	7,331	50,510
9	Turtle Minute Wax 18 oz	5.99	8,278	49,585
10	DuPont Rain Dance 16 oz	7.19	5,796	41,673
11	Motorcraft Oil Filter	4.19	8,303	34,789
12	Prest Super Flush 12 pk	3.29	10,180	33,492
13	Snowhite Lit 'N' Easy Gal	13.99	2,200	30,778
14	Turtle Zip Liq C/Wash 18 oz	2.39	12,746	30,462
15	Gumout Carb Clean 12 oz	1.89	15,671	29,618
16	AC Oil Filters PF-25	3.99	7,135	28,468
17	Fix A Flat Tire Infl 16 oz	1.39	20,216	28,100
18	Gunk Aerosol	2.19	12,659	27,723
19	15 Min Safety Flare	1.19	22,682	26,991
20	Sealed Beam Lg Round	3.29	8,095	26,632
21	32-oz Armor All Protector	8.99	2,921	26,259
22	Lee Oil Filter LF-1	3.49	7,177	25,047
23	Chamois 2.5-sq-ft V-250	5.99	3,959	23,714
24	Auto Bulbs 2 on a card	0.99	23,790	23,552
25	165 PSI Air Comp w/Ga	29.99	782	23,452
26	4-oz Armor All Protector	1.69	13,450	22,730
27	Sealed Beam, Lg Square	7.99	2,827	22,587
28	Westley's Bleach White 20 oz	2.19	10,137	22,200
29	Rislone Oil Alloy 32 oz	2.79	7,763	21,658
30	Sandable Primer Grey	1.99	10,771	21,434
31	PSF Yale Power Strg Fluid 14 oz	1.99	10,512	20,918
32	DuPont Rub Compound 12 oz	2.29	8,951	20,497
33	2-Ton Hydraulic Floor Jack	54.29	360	19,544
34	Turtle Color Back 16 oz	4.99	3,860	19,261
35	Fram Oil Filter PH8A	4.79	3,858	18,479
36	Champ Spark Plug 18	12.59	1,447	18,217
37	Black Lo 15 oz	2.39	7,363	17,597
38	Armor All Cleaner 16 oz	2.29	7,594	17,390
39	Bars Leak 12 oz	1.99	8,698	17,309
40	Lee Oil Filter LF-25	3.89	4,314	16,781

(Continued on page 25)

PIMA

PRODUCT MOVEMENT AUDIT

Auto Chains Surge, Hurt Discounters

By HERB RECHTER
President,
Allied Accessories
And Auto Parts

Although we entered 1983 optimistically projecting a 20% full-year sales increase, current performance hasn't met that expectation. We've seen our volume with discount chains climb at nearly a 15% rate through the first half of this year—and have witnessed some very positive consumer trends and desires for certain categories—but one element of the competitive picture is disturbing.

The rapid growth of automotive specialty chains in major urban areas seems to be gaining these retailers extra market share at the expense of the discount chains. That has placed a lid on the growth we anticipated, but fortunately hasn't eroded gross margins. That's a relief coming on the heels of a rough 1982 when continuous promotions were needed to spark consumer spending.

With the cloud of recession lifted at last, consumer spending is up, unemployment is down, there's a general mood of optimism and people are spending more.

For sure, much of that money is being earmarked toward new cars, but I see that as having very little impact on our business. Higher new-car sales definitely don't steal dollars away from the automotive aftermarket.

People who buy new cars round them out with extra accessories for which they don't want to pay dealership prices. Consumers driving older cars fix them up. That makes for a healthy diversified marketplace.

To some extent, I see a trend toward younger demographics in the automotive aftermarket, based on the growing demand for speed equipment, such as headers, for "muscle" cars. Perhaps moderated fuel prices are contributing to this somewhat,

(Continued on page 25)

121st Heck's Bows In Former King's

NITRO, W. Va.—Heck's has opened its 121st discount store, in Oak Ridge, Tenn.

The 46,000-sq.-ft. unit, formerly a King's, will anchor the shopping center outside of Knoxville.

The Oak Ridge store is the fourth in the Tennessee area and the second opening of the year for Heck's.

Buy 45, get 50!

Get 5 free cases of Shell Fire & Ice® Motor Oil!
Offer good Sept. 15-Nov. 15

Here are five compelling reasons why you won't want to miss out on this special offer from Shell to qualified retailers.

1. You get 5 cases of pure profit with every 45 you buy. That's 120, count 'em, 120 free quarts.

2. You get a product that's highly promotable. Good at regular prices. Great at sale prices. It disappears from your shelves when you feature it in your ads.

3. You get a brand name that has enormous customer acceptance. The Shell logo is one of the most quickly recognized emblems in the entire country. That means people reach for Shell Fire & Ice® Motor Oil without doubt or hesitation.

4. You get a product whose very name describes its benefits: "Fire & Ice," good when the weather is hot, good when it is icy cold. Shell Fire & Ice Motor Oil is good for all seasons.

5. You get a deal you can merchandise any way you want.

Offer applies to purchases of Shell Fire & Ice 10W-30, 10W-40 and Super 10W-50 only. Offer valid for purchases made from September 15 through November 15, 1983.

Get on the phone now to line up your order. Work Shell Fire & Ice into your Fall Promotion Calendar. Call the Shell mass merchandising representative nearest you.

New York
Jimmy Jones
(201) 325-5497

Chicago
Tom Walsh
(312) 887-5775

Detroit
Larry Polich
(313) 855-9000

Houston
Stan Schardon
(713) 241-3668

Los Angeles
Nancy Curry
(714) 991-9200

Come to Shell for answers

AUTOMOTIVE

PRODUCT MOVEMENT AUDIT

Auto Chains

(Continued from page 24)

as well as to a general increase in the amount of driving being done in this country.

If there is one general trend I see that cuts across all the automotive categories, it is this: Consumers are stepping up in quality. More people are responding favorably to brand-name products offering value rather than simple low-priced goods.

People who are trying to keep their cars on the road longer aren't going to skimp to save a dollar on a replacement part or chemical. They're not about to take any chances.

By the same token, consumers are always willing to look at valuable new products. The APAA show may unveil some comers. For our part, however, we do lots of testing before adding new lines to our inventories. We're continually culling slow movers from our lines as well.

The Reason Why

Since the quality of imported products compares favorably with those of domestic make—and they're often much less costly—American consumers are accepting them strongly. We're not seeing a spurt in sales of foreign-made goods for foreign made cars, because owners of imported cars generally like professional servicing.

Rather, we're experiencing strong sales growth in foreign-made goods for universal applications—everything from hydraulic jacks, antennas, mirrors, litter baskets and other accessories to pour spouts and gauges. Indeed, every time we add an imported product to our line, it represents better quality (at a good price) than we had before.

Heavy rains this past spring put a damper on sales of body fix-up items like paints and polishes. Their volume was down 25% early in the year, until the pickup began in June and July. And, the trend away from polymer waxes continues.

The best-selling waxes now are the old standards, the paste waxes. No. 4 on our list is Super Hard Shell Paste Kit at $3.99; No. 5 is DuPont Rain Dance Paste, 14 oz., at $7.19, and No. 10 is a larger size DuPont Rain Dance, which combined for total unit sales of nearly 27,000

(Continued on page 32)

Winter merchandising at Zayre, Chicago, last fall emphasized brand-name windshield de-icer and cleaning fluids, starting fluid, dry gas and snow scrapers in 12-ft. gondola. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
41	Johnson's Wax Kit 12 oz	4.19	3,967	16,621
42	Dup Whte Pol Comp 12 oz	2.29	7,233	16,563
43	AC Spark Plug Tab Each	1.69	9,792	16,548
44	2-Gal Gas Can Flex Spout	5.99	2,757	16,514
45	Sandable Primer Red	1.99	8,156	16,230
46	Warco Dot Brake Fluid Qt	3.89	4,163	16,194
47	WD-40 Aerosol 9 oz	2.59	6,180	16,006
48	Blue Coral Spray/Wax 20 oz	4.69	3,381	15,856
49	Liq Turtle Wax 12 oz	2.99	5,185	15,503
50	9-oz Simonize Pre-Soft	3.29	4,702	15,469
51	AC Oil Filter PF-47	3.99	3,874	15,457
52	Snowite Lite-N-EZ Qt Kit	4.99	3,084	15,389
53	Warco Dot Brake Fluid 12 oz	1.49	10,319	15,375
54	GE Silicone Seal, Clear	3.29	4,672	15,370
55	DuPont Car Wash 8 oz	2.59	5,873	15,211
56	STP Gas Treatment 8 oz	1.29	11,792	15,211
57	12 CD-2 Red Hi 15 oz	2.39	6,337	15,145
58	Bug/Tar Remov Turtle 16 oz	2.19	6,898	15,106
59	Blue Poly Paste Seal 16 oz	9.99	1,498	14,965
60	Prestone Brake Fl 12 oz	1.99	7,477	14,879
61	AC Oil Filters PF-35	3.99	3,708	14,794
62	Lee Oil Filter LF-16	3.49	4,065	14,186
63	Gumout Carb Cleaner 8 oz	1.49	9,492	14,143
64	STP Gas Treatment 12 oz	1.99	7,085	14,099
65	Sealed Beam, Low Square	4.99	2,787	13,907
66	6-Ton Hydraulic Bottle Jack	18.49	732	13,534
67	Snap Super Fix-A-Flat 24 oz	5.49	2,465	13,532
68	Blue Poly Liq Sealant 16 oz	9.99	1,347	13,456
69	AC Spark Plugs, B/P	12.59	1,055	13,282
70	Bars Leak 5½ oz	1.49	8,879	13,229
71	Raindance S'rm Finish Lq 18 oz	5.99	2,182	13,070
72	AC Oil Filter PF-45	3.99	3,265	13,027
73	Lee Maxi Oil Filter	4.59	2,831	12,994
74	8mm Sil Custom Wire Set	17.39	745	12,955
75	3 Sect Antenna w/Booster	8.99	1,409	12,666
76	GM8 Cy Tune Up Kit	4.49	2,748	12,338
77	GM Combo Tune Up Kit	5.99	2,038	12,207
78	Autolite Res Plug 8/26	11.99	1,014	12,157
79	GM 8 Cap & Rotor Ele Ign	12.99	935	12,145
80	G2 Foot Pump w/Gauge	7.79	1,537	11,973

(Continued on page 32)

July Biz Mark Is Set by Sears

CHICAGO—Sears reported merchandising sales 9.8% higher than last year, setting a record for July.

Gross sales were $1,645,401,895, an increase of $147,020,873 over volume of $1,498,381,022 in the same period of 1982.

Sears reported sales for the 26-week period topped $10 billion for the first time. Gross sales were 7.5% higher than the previous record set in the same period last year.

CRISTY STARTS ON NATIONAL TV.

This year, get going with Cristy.

The company that's been giving better starts to cars for 41 years is starting on national TV. You stand to profit.

You'll see new commercials for the entire Cristy® line on **NHRA Racing, The NFL Week in Review** and **Road to Los Angeles.**

Better yet, over 28 million men will see them, too. And every one is a potential Cristy customer. Get ready for them.

Meet the entire Cristy line and order today. It's the only way to be in business throughout the year.

CRISTY® CORPORATION

© 1983 Cristy Chemical Corporation, Fitchburg, MA 01420

AUTOMOTIVE

Hard-to-beat promotional space at Times Square Stores-Seedman's, Bronx, N.Y., goes to an antifreeze endcap, with volume enhanced by a manufacturer's rebate. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
81	GM 8 Cy Dist Cap	5.49	2,180	11,968
82	Champ Spark Plug 12	12.59	929	11,696
83	Prime Anti-Freeze	4.79	2,432	11,649
84	Permatex Gasket Cement #2	1.89	6,138	11,600
85	Thrush Muffler	17.99	642	11,549
86	GE Glass Seal	3.29	3,497	11,505
87	Mini-Grease Gun Kit	8.29	1,379	11,431
88	Lee Oil Filter LF-24	3.89	2,925	11,378
89	One Piece Auto Ramp, pr	21.99	517	11,368
90	Carded Hose Clamps 4/cd	1.69	6,716	11,350
91	Fram Oil Filter PH-30	5.29	2,128	11,257
92	Thrush Muffler	17.99	625	11,243
93	Bulk (GD8B) Chamois 3.5 ft	8.89	1,247	11,085
94	Lee Maxi-Oil Filter LF-25HP	4.89	2,259	11,046
95	Sun Oil/Temp-Amp Ga	27.99	394	11,028
96	West Bleach Whte Liq 32 oz	3.39	3,219	10,912
97	Uphol Clr Turt Arsl 14 oz	2.69	4,047	10,886
98	Blue Poly Instant Spray	7.99	1,295	10,347
99	1½-Ton Jack Stand, each	5.49	1,883	10,337
100	GE Silicone Seal, Black	3.29	3,136	10,317

Source: These automotive figures for July 1983 were supplied by Allied Accessories and Auto Parts, Madison Heights, Mich. Allied services over 2,500 retail outlets throughout the United States, 98% of which are discount stores' auto departments.

Dollar General's Income Soars

SCOTTSVILLE, Ky.—Dollar General Company reported record results for the quarter and six months of 1983.

Net income for the quarter increased 86%. Net sales increased 13%. In the three-month period, net income reached $3,200,000 or 20¢ per share, compared with $1,717,000 or 11¢ per share in the 1982 period.

Net sales were $74,868,000 compared with $66,386,000 a year ago.

For the six-month period, net income was $4,045,000 or 26¢ per share, compared with $1,907,000 or 12¢ per share in the first half of 1982.

Net sales increased 16%, to $135,521,000.

WYNN'S® GIVES YOU MORE MILEAGE FOR THE MONEY.

These are tough times for fuel systems.

Most older cars have dirty carburetors. Newer cars have super-sensitive fuel systems.

And today's gasoline quality can be all over the road.

Your customer needs Wynn's Spitfire® Gas Treatment and Wynn's Carburetor Cleaner like never before. The products that together clean fuel systems from tank to carburetor while they help reduce octane requirements and prevent rust and corrosion.

And to make sure they'll find them on your shelves, we're making this special case offer available on both products until December 31, 1983.

Here's the deal.

Run 1 ad on both products and we'll discount your purchase $.50 per case. Run 2 ads, $1.00 per case. Run 3 ads, $1.50 per case. Run 4 or more ads, $2.00 per case.

Then sit back and get ready for a special Wynn's consumer promotion we'll be launching this Spring.

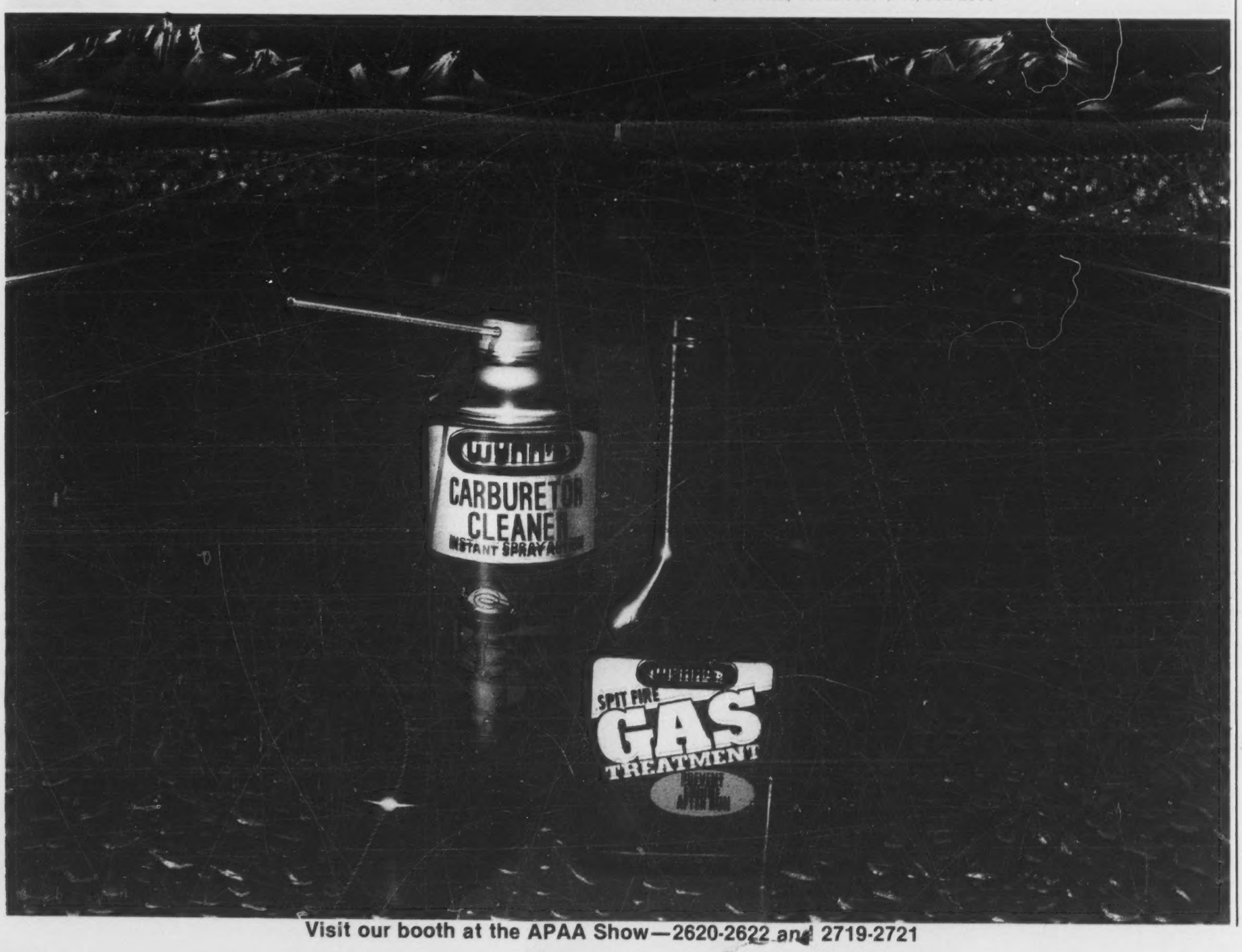
For more information call Dennis Bangert, national sales manager, at (714) 992-2000.

He'll tell you how to help improve your customers' mileage as you improve your register's performance.

Out on the road to profits.

Wynn's

Wynn's Friction Proofing Supply, Inc. 2600 East Nutwood Avenue, Fullerton, CA 92631 / (714) 992-2000



Visit our booth at the APAA Show—2620-2622 and 2719-2721

PMA®

PRODUCT MOVEMENT AUDIT

Auto Chains

(Continued from page 25)

during this past July.

However, Turtle Minute Wax, 18 oz., at $5.99 has our No. 9 spot because people have accepted its easy-to-use characteristics.

Our PMA reflects summer seasonal sales to be sure, with freon and recharge kits catching hold in the top 10.

However, chemical sales continue to capture top movement ratings, demonstrating across-the-board strength in all its segments. STP Oil Treatment, Gumout Jet Spray, Prestone Super Flush and Gunk Aerosol are chemical items serving a variety of needs. They're peppered throughout our top 20.

Whereas chemical sales are strong and steady, standard tune-up kits and spark plug sales are lagging. Electronic ignitions have a lot to do with that.

On the bright side, sales of wheel covers are growing rapidly because the introduction of imports has brought prices down to less than half of year-ago levels. There's been a subsequent near doubling of sales of ABS and wire wheel covers, since consumers recognize they're getting equivalent quality at a lower price.

10% Gain

(Continued from page 19)

louvers, floor mats, flaps, fire extinguishers and snack trays are expected to perform steadily.

Sales growth of chemicals will be powered by the penetration of diesel-powered cars into the domestic market, the development of new products and improved packaging, reported Charles H. Kline & Co., Fairfield, N.J., research firm.

Antifreeze, the promotional mainstay, and automatic transmission fluids together account for more than 40% of chemical sales, Kline noted.

Buyers attributed waning sales of polymer waxes to price points nearing $10. "I'm re-emphasizing paste waxes, which are outselling sprays," said a Gold Circle spokesman. Wax sales in general were washed out by this year's rain-drenched spring; polymers fared even worse and may not soon regain their shine.

Oil sales also skidded in the first half because of the weather. Ames, for one, expects "to go bananas in the second half," thanks to ads planned three months in advance to rebound from the weak spring.

Battery sales have generally been soft because of mild weather and the recent surge in new-car sales, except for strong private label programs such as Ames'.

However, volume of foreign car parts is expected to climb, as imported autos age and find themselves in the hands of second and third owners who are likely to be more enthusiastic DIYers.

AUTOMOTIVE

Specialty Chains Are Boosting Productivity

LANHAM, Md.—The road to greater auto department sales is paved with some tough competitors—the automotive specialty shops.

Profiled in a recent study by the Automotive Parts & Accessories Association's Foundation for Aftermarket Industry Research, they're effectively boosting their sales per square foot with computerized inventory, formal employee training programs, and participation in manufacturers' advertising campaigns.

The most successful are apt to be in the suburbs, by the Great Lakes or the West Coast, and have service bays, the study said.

Of those surveyed, 21% are chain-run, 12% franchises and the rest independents. Not surprisingly, a greater number of chains crop up in suburban shopping centers and malls, and in markets with population figures denser than 100,000.

Fully 97% sell chemicals, 19% tires, 99% heavy parts, 84% engine parts, and 62% safety, comfort and sound items. Stores carrying the latter three categories sport sales per square foot figures nearly 30% higher than others.

Chain stores in the 3,400-sq.-ft. area average sales of $113 per square foot. Franchise stores, slightly smaller at just under 3,000 sq. ft., lag at a $101 return per square foot. Independents, the smallest at nearly 2,800 sq. ft., bring the highest return of $114 per square foot.

Contributing to 16% greater sales productivity are repair services, offered by a mere 16% of the auto parts stores surveyed. Single bay service centers generate the highest revenues per bay, at $39,361 annually.

Nearly six stores in 10 tally annual sales of $100,000-$400,000, with another three in 10 ringing up yearly sales of up to $1 million or more. The survey's weighted midpoint is $218,000 annually. Chains fare much better, however, garnering average annual sales of $385,088.

Chains are also the most retail-oriented auto parts stores, capturing 65% of their volume from retail activities, compared with the franchises' 58% and independents' 57%; wholesale sales account for the lion's share of the rest.

The survey found it takes auto parts salespeople from five to nine minutes to process an average customer transaction of $14.26. Stores generally handle 340 such sales per week, during hours that are considerably shorter than most discount chains' hours of operation.

A commanding 70% are closed evenings, and 62% on Sundays. Among auto parts stores surveyed, 55% are open from 49 to 64 hours per week, and they register the highest sales per square foot.

Stores that train their salesclerks formally enjoy 23% greater sales productivity than competitors who don't, the survey said. And retailers who offer return goods privileges, special orders and charge card purchases ring up 39%-46% greater sales per square foot.

Furthermore, stores using computerized inventories—28% of those surveyed—report a robust $156 sales per square foot—compared with shops which use carded systems and produce sales of $98 per square foot.

Auto parts stores spend an average of 2.8% of sales on advertising, or $10,062 per year—primarily in newspaper, radio and Yellow Pages listings. For roughly two-thirds of the chain and franchise operators, additional ad monies are spent by their parent companies.

Services Abound At Most Auto Specialty Stores

Services to the public	% offering
Store's own credit	44
Visa/Mastercard	78
Delivery	15
Quantity discounts	35
DIY discounts	47
Educational clinics	15
Phone orders	61
Return goods privileges	88
Special orders	86

Source: Automotive Parts & Accessories Association

Suburban Sites Are Strongest For Most Auto Chains

Location	Sales/Sq. Ft.
Suburban	$140
Industrial area	128
Residential	125
Shopping mall	108
Rural	102
Downtown	91
National average	112

Source: Automotive Parts & Accessories Association

MECO's MOVING

...into a new plant and the future.

MECO® Corporation will be moving into its new manufacturing facility by the end of 1983. The new plant is designed to maximize production efficiency, increase capacity and enable us to expand our product line.

When the move is complete, MECO will have 700,000 square feet of manufacturing and warehousing facilities at our new location.

Our new plant is designed with the same attention to detail that has always been a part of our quality line of outdoor grills and casual furniture.

We're proud of our new manufacturing plant at MECO. First and foremost, it means we can serve you—our customers—better.

MECO® CORPORATION

P.O. BOX 1000 (1500 INDUSTRIAL ROAD)
GREENEVILLE, TN 37744-1000
1-800-251-7558
(In TN call 1-615-639-1171)

See Us at The Hardware Show,
Booth #'s 2200–2300

Chemicals

(Continued from page 21)

Meantime, a local competitor—Modell's Shoppers World—advertised just one chemical—Rizlone quart size engine treatment at $1.88, slightly more than half its everyday selling price of $3.69—in one of its weekly circulars this summer.

Aid Auto Stores, in the same market, included only the Gumout chemical at $1.79 and 1-lb. cans of freon for air-conditioners at $1.29 in its half-page newspaper ad.

Greater selectivity in advertising chemicals appears to be the byword today. The tactic reflects the strength of brand-name basic chemicals and the weakness of price and gimmick items, said the Ames spokesman.

Gasoline additives, for instance, face an unclear sales year. New-car purchasers should still need them to boost performance of their autos, which use lower octane fuels, said one buyer. However, lower gas prices have caused additive sales to lose some steam.

Changing Attitudes

Other trends spotted among do-it-yourselfers are inclinations to buy larger size packages of brake fluids, for bleeding systems and smaller packings for foreign cars.

Limiting brand assortment has been effective at Zodys' 45 stores throughout California and Nevada—where more stringent automotive merchandising is expected to bring a 30% chemical sales improvement this year.

Selling the four best-sellers of each chemical line lessens shopper confusion. Carrying the same 80 sku's as last year in 8-ft. displays, Zodys has increased depth of selected brands.

"We can't be all things to all people," said Richard Hughes, automotive buyer, noting his best-sellers are brake and radiator fluids, and oil viscosity enhancers like STP.

Somewhat bemused by his shoppers, Hughes said "customers don't use chemicals as preventatives, which is their intent. They want an inexpensive out, a 99¢ overhaul, when something goes wrong."

(Continued on page 38)

9/19/83 C5150-3

'83-'84 Census: pp. 13-120

Top Discount Dept. Store Chains: P. 17

0007122 DEC83DS
SMI ACQUISITIONS
CONGRESSIONAL SOURCE INFO
4520 EAST/WEST HIGHWAY
BETHESDA MD 20814

Discount Store News®

THE NEWSPAPER OF DISCOUNT RETAILING

VOL. 22, NO. 19 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $20 for Census Issue | SEPTEMBER 19, 1983

New lines and store remodels haven't stemmed the flow of red ink at Jefferson Ward. Although a spokesman for Montgomery Ward chairman Stephen Pistner (r.) and Jefferson Ward chairman Arnold Suval deny the discounter is for sale, trade sources say negotiations have already begun.

Jefferson Ward Revamps But . . .

[This story was researched by Marilyn Neerman and Al Heller, and written by Neerman.]

MIAMI—Jefferson Ward has been sending out some recuperation signals, but they may not be enough to save it from the abyss.

The new Florida prototype gets generally high marks from competitors, who also admit Jefferson Ward is "as tough as they come" in hard lines pricing. The renovated Florida units are being pared down to a more efficient and productive 90,000 or 65,000 sq. ft. in selling space.

Under chairman and ceo Arnold Suval's aegis a lot of the fat has been cut from expenses. Costly service-oriented departments, like home improvements, big-ticket furniture ensembles and men's suits, have been dropped. Store personnel have been shifted from full-time to a more economical part-time schedule. Distribution has been consolidated to two facilities, one in Orlando, Fla., one in Burlington, N.J.

All merchandise categories have been reworked with a "narrow and deep" philosophy which has taken care of the earlier propensity to stock 16 sku's in outdoor mailboxes and frying pans priced from $3 to $80.

(Continued on page 134)

. . . Red Ink Makes Its Future Uncertain

MIAMI—While Jefferson Ward executives say they are happy with their chain's progress, the future of the Miami-based discounter remains uncertain.

Red ink continues to flow at the chain. Although Mobil Oil (parent of both Jefferson Ward and Montgomery Ward) has a "retail merchandising line" that showed a $4 million profit for the second quarter compared to a $27 million loss last year, "all that profit came from just the Montgomery Ward stores," according to trade sources.

Other sources report that Montgomery Ward has put its discount division on the block—holding discussions with at least two retail organizations—preferring to strike a deal for all 48 stores but willing to discuss a sale on a market-by-market basis.

(Continued on page 134)

Discounters' GM Biz En Route to $73.3B In 1983, a 10% Rise

Nationwide DSN Report

Increased productivity will lead the discount department store industry to a projected $73.3 billion in general merchandise sales during 1983, striking a 10% gain over last year.

Sales per store will show larger increases while the discounters' store count drops marginally, according to the annual industry census conducted by *Discount Store News*.

Comparable general merchandise sales will rise more than 11% to $8.9 million per store. At the same time, the number of stores held by the chains will drop by less than a percentage point to 8,217 units.

The deepened emphasis on performance will yield a better than 10% hike in sales per square foot, with the average rising to $126.51 from last year's $114.05.

Gains among the top 10 chains will be even larger as an industrywide consolidation continues, the data indicate.

By the end of this year, the top 10 will hold a 48.9% share of the industry's volume—$35.9 billion—up from last year's 47.6% portion. That represents a 12.8% gain in sales.

Industry leader K mart, with its projected $18.7 billion in sales, alone holds more than a 25% share of the market. That sales estimate could go even higher than the 10.8% rise anticipated, with some K mart insiders privately guessing that volume could inch near a 15% gain for the retail giant with a strong fourth quarter.

No. 2 Wal-Mart is also projected to score a significant increase in sales—25.4%—reaching $4.3 billion from last year's $3.4 billion.

Additionally, the 1983-84 census shows that volume for nine of the top 10 chains will be above the $1 billion mark, with Hills, Caldor and Bradlees all due to cross the billion dollar line this year. The 10th, Meijer, is inching closer to that figure, as well, with projected volume at $933 million.

The gains for the top 10, as well as for the industry as a whole, are made all the more

(Continued on page 4)

Proposed Gray-Market Ban Blasted

WASHINGTON—New Treasury Department rules granting multinational manufacturers power to block imports of legitimate trademarked products would jeopardize price competitive retail chains and cost American consumers billions of dollars annually, discount and catalog showroom industry leaders warned the department.

In a letter urging top Treasury officials to resist manufacturer pressure for a sweeping new ban on so-called "gray market" imports, Association of General Merchandise Chains (AGMC) president Edward Borda and Richard Kelly of the National Association of Catalog/Showroom Merchandisers (NACSM) charged that such restrictions are merely the latest attempt by suppliers to skirt the Federal law against resale price fixing.

"Present attempts to expand manufacturer control by preventing actual and potential price competition from the im-

(Continued on page 4)

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1983-84 Census Digest

Sept. 19, 1983

Top-Volume Chains:

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Discount Store News®
THE NEWSPAPER OF DISCOUNT RETAILING

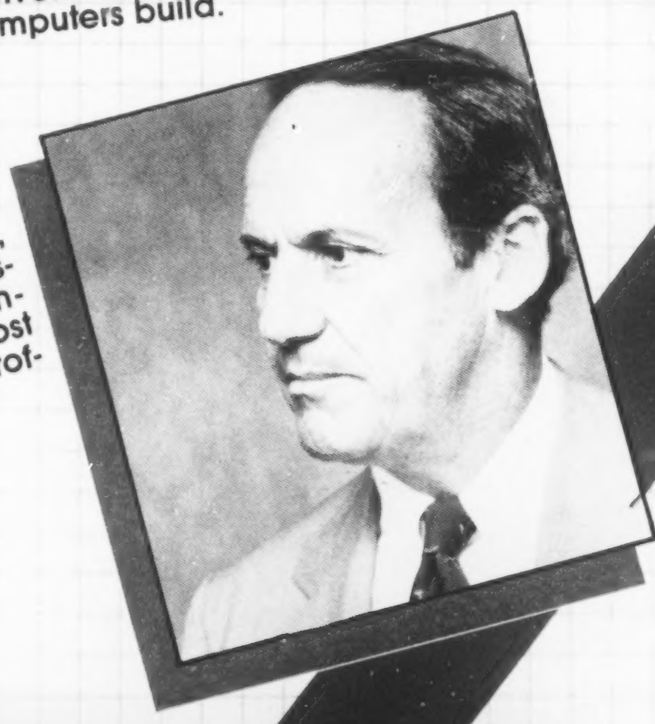
1983-84 DISCOUNT STORE CENSUS

Video game inventories are kept thin while marginless computers build.

State of the Discount Store Industry

	As of Calendar Year Ended 12/31/82	Projected for Calendar Year Ending 12/31/83
Square footage	583,911,000	579,400,320
Net Gain (Loss) in Square Footage	7,696,000	(4,510,675)
Stores	8,282	8,217
Net Gain (Loss) in Store Count	118	(65)
Annual Sales*	$66.6 Billion	$73.3 Billion
Average Sales/Sq. Ft./Yr.*	$114.05	$126.51
Average Sales/Store/Yr.*	$8,041,150	$8,920,531
Average Store Size	70,504 sq. ft.	70,512 sq. ft.

*Doesn't include sales from discounter supermarkets.
(Source: DSN Research)



Larry Del Santo, T.G. & Y.'s acting president and ceo, unveils a plan to boost sales and return profits.

Chairman Sam Walton moves the Wal-Mart empire toward his goal of 1,200 stores and $13 billion in sales by '88.

Chains push deeper into branded apparel for a growing breed of fashion-value-oriented customers.

$73.3 Billion
$72.6 Billion
$70 Billion
$66.6 Billion
$65 Billion
$60.5 Billion
$60 Billion
$55 Billion
$50 Billion

1978 1979 1980 1981 1982 1983